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May 27, 1999

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Sherry Estes, Esq.
Office of Regional Counsel
U.S. Environmental Protection Agency
Region V
77 West Jackson Boulevard (C-29A)
Chicago, IL 60604

Re: Skinner Landfill

Dear Ms. Estes:

Our office represents J&J Distributing Co. (dba Watson's) in this matter. As you may be aware, Watson's entered into a de minimis settlement agreement earlier this year with the Plaintiffs in the Skinner Landfill private cost recovery action in the United States District Court for the Southern District of Ohio. In addition to providing for settlement of Plaintiffs' claims regarding their past costs at the Skinner Site, that agreement requires certain of the Plaintiffs to seek to negotiate a de minimis settlement between Watson's and the United States (on behalf of the U.S. Environmental Protection Agency ("EPA")) that is at least as protective of the company's interests as are the terms of EPA's Model De Minimis Consent Decree set forth in the December 7, 1995 Federal Register.

It is Watson's understanding that EPA, Region V has now determined what information it will require in order to determine that Watson's qualifies for a de minimis settlement at this Site. That information consists of: (i) the summary of each de minimis settlor's waste-in volume and percentage share of Site costs, as determined by the Allocator in the Final Allocation Report from the Skinner Alternative Dispute Resolution process, and (ii) the narrative description of the Allocator's findings for each de minimis settlor, as set forth in the Preliminary Allocation Report and, where the Allocator supplemented or altered those findings in the Final Allocation Report, the Final Allocation Report.

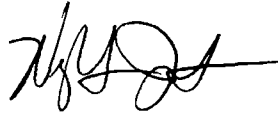
Accordingly, I am enclosing the information requested by EPA for Watson's. I believe that this information amply demonstrates that Watson's is entitled to a de minimis

Sherry Estes, Esq.
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settlement consistent with EPA's model de minimis settlement decree. By making this settlement offer, Watson's does not acknowledge any liability for response costs at the Skinner Site.

In order to ensure that Watson's is able to avoid incurring additional transaction costs in connection with the ongoing Skinner Landfill cost recovery litigation, Watson's strongly urges EPA to finalize an appropriate de minimis settlement as expeditiously as possible. Such timely action would fulfill the statutory objectives of Section 122(g) of CERCLA and EPA's de minimis settlement policies, as well as provide needed funds for response actions at the Site.

Sincerely,

A handwritten signature in black ink, appearing to read 'Wijdan Jreisat', with a long horizontal stroke extending to the right.

Wijdan Jreisat

WJ/KTBH:407053.1

Enclosures

cc: J&J Distributing Co.

Watson's/J&J Distribution Co.

Settlement Amount: \$6,612.25

Excerpt from Allocator's Preliminary Report :

Watson's is a retail store for recreational products. It was linked to the Skinner Site through interview statements that it was the source of "small kits that were used for testing the chemical levels in the pools" that were believed to contain some chemicals plus "plastics, bags, and 5-gallon buckets (which were emptied out and believed to have previously held pool chemicals.)"

Watson's interviewed the following persons to prepare its questionnaire response: Donald Oeters, president J & J; Michael McCowan, Truck Driver; and James Sizemore, Warehouse manager. Joseph Fields, a former warehouse manager, who apparently would have had some knowledge, was deceased.

Watson's acknowledged using the Site. It explained that it occasionally sent solid municipal waste on the site which was physically too large or cumbersome to fit in it's standard garbage dumpster. Watson's said that the only such materials which may have been sent to the Site were remodeling scrap (cinder blocks, scrap drywall, nails, screws, bricks, concrete blocks and wood two-by-fours) from tearing down a wall to expand the retail premises, large spa pallets (wooden pallets used to transport the spas sold at the retail facility), defective water sprinkler pipe, cardboard, brush, tree limbs, and damaged rackline (metal racks used for storage in the warehouse). The remodeling scrap was generated in the process of expanding the retail space by demolition of a wall which separated the retail and warehouse space in the building. Watson's stated that all of this material was solid waste and was hauled to the Site in bulk in a 22' truck.

Watson's said that Mr. Oeters was personally knowledgeable (adding that his recollection was clear and unequivocal) about any materials sent to the Site. Mr. Oeters was adamant that Watson's never sent any hazardous substances or materials to the Site.

Watson's began using the Site in 1982 and continued using it until 1990. There were certain years when the Site was never used, Watson's stated. It located no records to permit it to specifically determine which years it did not use the site. Don Oeter, who has been with the company throughout the relevant time period and supervised the disposal of waste at the Site, recalled that the Site was used sporadically and that there were some years when the Site was not used at all. Watson's argued that the loads sent to the Site were usually only half-full and that direct disposal occurred a maximum of three times per year.

Watson's estimated that approximately 750 lbs. of wood (15 wood pallets each weighing approximately 50 lbs.) would have been sent to the Site on each of the possible three trips a year. This was the most common use of the Site. Any attempt to estimate the amount of the other non-hazardous waste sent to the Site (e.g., wood two-by-fours, brush, etc.) would be "sheer speculation," Watson's stated, since there are no records from which the information can be determined.

Watson's was charged a flat fee of approximately \$35.00 - \$50.00 per load. Money was usually left in an envelope at the mailbox at the Site and a receipt was obtained from the same mailbox. Watson's no longer has these receipts.

No transporter was used to ship the materials sent to the Site. Employees of Watson's drove the store truck to the Site. The employees were Joseph Fields (hired October 10 1982), James Sizemore (hired March 15, 1989), and Michael McCowan (hired June 27, 1989).

Rumpke was the waste disposal company which picked up the general municipal solid waste for Watson's. Watson's argued that there is no evidence or reason to suspect that any such waste contained any hazardous substances or materials. It asserted that records relating to Rumpke are not applicable because Rumpke only picked up municipal solid waste. Watson's assumed that Rumpke disposed to any such waste at Rumpke's landfill. As noted above, Watson's did not locate records dating back to the relevant time period.

Watson's stated that Maria Roy's belief that it had disposed of buckets which previously held pool chemicals at the Site was incorrect. Watson's explained that no such materials were ever sent to the Site. If the pool chemicals available for sale could not be sold (e.g., damaged or open container), such chemicals were used to treat the water in the pools and spas (demonstrator models) or were given away to friends or employees. The chemicals would not have been stored in the five-gallon buckets, it argued. Watson's added that Mrs. Roy's recollections were not firm because she said that any buckets dumped may have held chemicals at some point, but acknowledges that the buckets she recalls being sent to the Site were empty.

With respect to test kits, these kits were meant to test the chlorine and chemical levels in pools and spas. They normally consisted of a vial to which was added a few drops of phenol red and OTO, what Watson's called harmless solutions. Watson's said it sent no such kits to the Site as they could have been thrown in the trash and disposed of as solid municipal waste.

Site Witnesses. Ray Skinner testified that Watson's brought in boxes, blue tarping, rubber liners, and plastic material among the "stuff" dumped at the Landfill. He did not see any chemicals. He said that Watson's used a 6-7 cys van that was not full. He felt that Watson's averaged one load every two weeks for seven or eight years. R. Skinner Depo., p. 1091-1092.

Lloyd Gregory recalled Watson's as well. He described the waste as including lawn furniture, chemical packs with liquids, and chlorine plastic containers. He estimated usage at about one time per month from sometime before 1986 forward. Not all of the waste brought by Watson's was buried in the Landfill. He also recalled the use of a van truck. L. Gregory Depo., p. 189.

Maria Roy also recalled Watson's as a Landfill customer. She described plastic buckets and "pool stuff." She said that Watson's used the Site monthly (more so in the summer) for at least ten years. M. Roy Depo., p. 396-397.

Elsa Skinner recalled the disposal of demolition debris by Watson's. E. Skinner Depo., p. 490-491.

In its position paper, Watson's repeated that it admitted disposing of wood pallets, damaged metal racks, and other garbage which did not fit into its dumpster. It also said that it used the Landfill for disposal of construction debris in connection with two remodeling projects to explain the space of its retail store. Materials such as wood two-by-fours, scrap dry wall, nails, screws, bricks, concrete block, brush, and tree limbs were "thus sent to the Site." Watson's estimated that its wood pallet waste represented 15,750 pounds to 18,000 pounds of waste (based on an average load which it estimated was 750 pounds, three trips per year, and 7-8 years). It did not estimate the waste amount associated with the other material disposed of at the Site.

Watson's echoed the zero allocation refrain briefly, but it anticipated correctly that I would not agree.

Watson's argued that it did not dispose of chemical pool kits or chlorine. I accept the argument that it would not normally do so, but I found Lloyd Gregory to be thoughtful in his recollections and accept Lloyd Gregory's observations that at times pool kits and chlorine residues were visible in the waste.

Waste-in Amount. Based on all of the evidence, I have decided to accept eight years as the time period of usage. I have determined to use one disposal event per month as an average. I have further determined to use 3 cys per disposal event. These figures result in a waste-in amount of 288 cys for Watson's.

Final Allocation Recommendations in Alphabetical Order, Skinner Landfill Superfund Site, April 12, 1999

| Name Of Party | Solid Waste In Cys | Liquid Waste In Gallons | Solid Waste In Total Cys 372906 | Percentage | Liquid Waste In Total Gallons 262252 | Percentage | Solid Waste | Liquid Waste | Owner/ Operator & Part of Chem Dyne | Rest of Chem- Dyne | Total |
|------------------------------|--------------------------|-------------------------------|------------------------------------------|------------|-----------------------------------------------|------------|----------------|-----------------|----------------------------------------------|--------------------------|----------|
| WATSON'S/J&J DISTRIBUTION CO | 288 | 0 | 372906 | 0.0772% | 262252 | 0.0000% | 0.01% | 0.00% | | | 0.00772% |